

## [The New Mortgage Market. What To Expect](#)

The mortgage market has changed but for many, it has gotten better. Most folks don't know this. Interest rates have come down. Tell your friends and neighbors and be happy. Now, for those of us currently without jobs, or those that have some credit issues and no money down, the approval requirements have become a bit stricter as they should. On the flip side, new first time buyer programs have evolved that are absolutely fantastic and even offer below market interest rates. Even with all these good things happening, we find that there are many folks out there right now paralyzed by the negativity of the press. We term this analysis paralysis! Folks want to buy or refinance a home, or investment property but are scared. They don't realize how good we have it here, especially in the RTP area which is really a bright light in the USA right now. This is a great market here. People think "I am not sure I want to sell my home right now but I really do want to buy a new home.." They may not really realize they can buy that bigger home and get a really good deal on the next house and the mortgage right now. The home they are buying is more expensive than the home they live in currently, this can be a good leverage advantage. The other thing to consider here in the RTP area is consider keeping your home, renting it and buying another home. We do have a strong rental market here. Don't be too fearful of making a move, if you wait until everyone else makes a move, then the laws of supply and demand kick in and prices go up as demand goes up.

Here is more good news; Mortgage rates really have come down quite a bit. Most folks are not aware of this at all. Mortgage rates are at 12 month lows. It is a GREAT time to refinance, look at mortgage options and get out of adjustable rate loans. Many families are considering equity repositioning and taking cash out of their homes to buy other properties and taking advantage of the real estate market. Many investors are sitting on the sidelines waiting to pounce on every good deal they can get their hands on. There have been some excellent new loan products that have come out in the market, particularly for first time home buyers to help them get into homes. Here are a few: down payment assistance programs, bond programs with below market interest rates, programs that are 100% financing with no mortgage insurance (even if you are not a first time home buyer)! Folks are just not aware of this good stuff because the media is showing more bad things than good things right now. This scares people. Have the courage to step outside of what the press is telling you and examine what our geographic market offers. It could be huge opportunity for you.

What has changed? You want to know the facts:

1. If you have credit issues, it will be more important now to get a formal preapproval with a lender that you meet with. Allow your mortgage planner to help you get a better deal/rate by helping give you tips to increase your credit scores. We do this at no cost for our clients. Look for our credit improvement workshops on line.
2. No doc loans- These are loans where no income or no assets are verified. These have become much tougher to do in the current mortgage market. If you need this type of product, talk to a certified mortgage planner in advance of purchasing.
3. When buying investment property, you need to put down approximately ten percent. There are no PMI options only with 10% down. This is a good thing and makes more of the payment tax deductible.
4. As with all things in our world, business cycles as does everything. This is normal and expected and necessary. We as lenders are not giving zero down loans to folks who do not have enough income or who do not have decent credit any more. It is my opinion that the mortgage market was in a way a microcosm of our economy. The market was/is looking ways to make money and just became too lenient w/ some practices. This is why the mortgage correction happened. This is a natural cycle and happens in every business. For the many of our customers there is a big opportunity to buy now. We are in a great market and many families are finding ways to take advantage of moving up, renting their existing homes and cashing in on these low rates. There is a lot of information on Real Estate Investing as a wealth building tool and you are welcome to check our website for upcoming workshops.

Talk to your real estate agent about your current situation they are great partners and can give you an accurate idea about both your current property situation and your new property scenario. They know the market better than anyone.

### About the Author

If you have any specific questions at all on home or investor financing, visit [Amy Bonis, Certified Mortgage Analyst](#) or read more [articles](#) on her site.